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ADMINISTRATIVE AND FINANCIAL MATTERS

Income and budget performance in the biennium 2000-2001

Arrangements for administrative support to the Convention

Note by the Executive Secretary

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I. INTRODUCTION

A. Mandate

1. By its decision 20/CP.5, the Conference of the Parties adopted the programme budget for the biennium 2000-2001, and requested the Executive Secretary to report to the Conference of the Parties at its sixth session on income and budget performance and to propose any adjustments that might be needed in the Convention budget.

2. Rule 10 (e) of the draft rules of procedure being applied (FCCC/CP/1996/2) stipulates that the provisional agenda for each ordinary session of the Conference of the Parties (COP) shall include, as appropriate, the proposed budget as well as all questions pertaining to the accounts and financial arrangements.

3. It is the practice of the Subsidiary Body for Implementation (SBI) to consider these matters and prepare action for the Conference of the Parties as appropriate.

4. This report was not presented to the fourteenth session of the SBI and to COP 6, part II in view of the more pressing issues that were scheduled for COP 6 and the fourteenth session of the SBI.

B. Scope of the note

5. This document responds to the requests noted above, as follows:

(a) Section II contains information on financial performance during the first 18 months of the biennium 2000-2001 (as at 30 June 2001) for all four of the trust funds administered by the secretariat, namely, the Trust Fund for the Core Budget of the UNFCCC, the Trust Fund for Participation in the UNFCCC Process, the Trust Fund for Supplementary Activities and the Trust Fund for the Special Annual Contribution from the Government of Germany (Bonn Fund);

(b) Section III provides information on personnel matters, including some statistics on approved posts and filled posts, information on the hiring of consultants, and an overview of staff development activities undertaken in the secretariat;

(c) A brief update on the progress made regarding the administrative arrangements of the Convention is provided in section IV.

6. This document should be read in conjunction with other documents relating to administrative and financial matters prepared by the secretariat for this session, namely:

(a) Unaudited financial statements for the biennium 2000-2001 as at 31 December 2000 (FCCC/SBI/2001/INF.5);

(b) Status of contributions as at 15 October 2001 (FCCC/SBI/2001/ INF.10).

C. Possible action by the SBI and the COP

7. The SBI may wish to take note of the information presented and decide on appropriate actions it may deem necessary to be included in an omnibus decision on administrative and financial matters to be adopted by COP 7.

II. INCOME AND EXPENDITURE REPORT FOR 2000-2001

A. Trust Fund for the Core Budget of the UNFCCC

1. Budget

8. The Conference of the Parties at its fifth session approved a total budget of US$ 25 286 000 for 2000-2001 (decision 20/CP.5).[1] An additional budget amounting to US $1 263 200 (including administrative costs) for work on matters relating to the consideration of national communications not included in Annex I to the Convention was also approved.

9. In addition, the COP approved additional expenditures of US$1 000 000 to cover activities leading up to COP 6, and an additional contribution to the International Panel on Climate Change (IPCC) of $300 000 (or $339 000 including administrative costs) to be drawn from the carry-overs. These would bring the total approved expenditures in 2000-2001 to ($27 888 200) (decision 20/CP.5, paras. 6, 14 and 15, FCCC/CP/1999/6/Add.1).

Table 1. Budget 2000-2001
(United States dollars)[2]

Approved budget	25 286 000
Preparation for COP 6	1 000 000
Additional contribution to the IPCC	339 000
Consideration of National Communications not included in Annex I	1 263 200
Total approved budget	**27 888 200**

[1] FCCC/CP/1999/6/Add.1.
[2] Includes programme support costs and working capital reserve.

2. Income

10. The approved budget and the additional expenditures are expected to be funded from three sources as shown below:

Table 2. Income 2000-2001
(United States dollars)

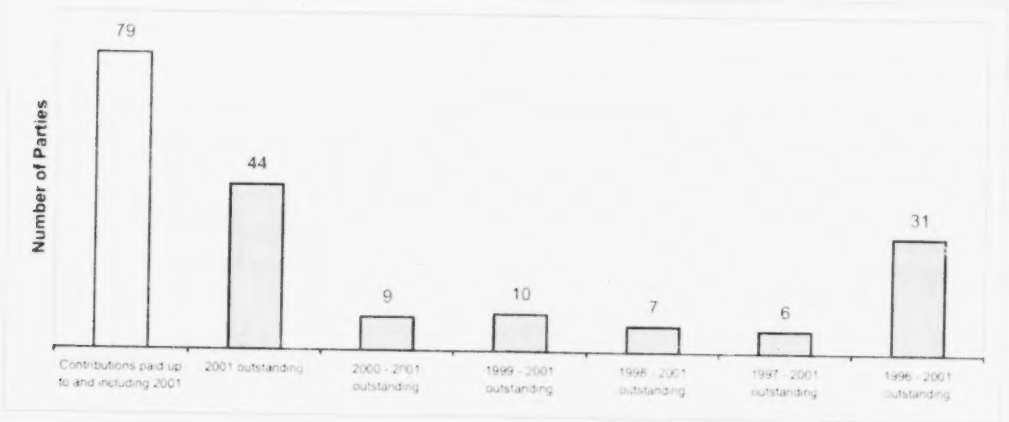
Contribution from the host Government*	1 621 600
Unspent balance of contributions from previous financial periods (carry-over)	3 702 200
Indicative contributions from all Parties	22 564 400
Total expected income	**27 888 200**

* US$ 1 621 600 was calculated at the rate of US$ 1 = DM 1.85002, prevailing at the time of the budget preparation.

11. As at 30 June, US$18 108 445 was received as contributions to the core budget. The number of Parties which have paid their indicative contributions to the core budget in full for this biennium stands at 79, or 42 per cent of the Parties to the Convention. Four out of the top ten or ten out of the top 20 contributions for 2001 had not been received by 30 June 2001.[3]

12. Out of the 186 Parties to the Convention, 107 had their contributions outstanding for 2001 and 63 Parties for the whole biennium of 2000-2001. The number of Parties which have not paid their contributions since 1999 is 54, out of which 44 have outstanding contributions from 1988. Thirty-seven Parties have outstanding contributions from 1997 onwards, of which 31 have never made contributions to the core budget since its inception in 1996. (See chart 1 below.)

Chart 1. Distribution of Parties according to status of contributions as at 30 June 2001



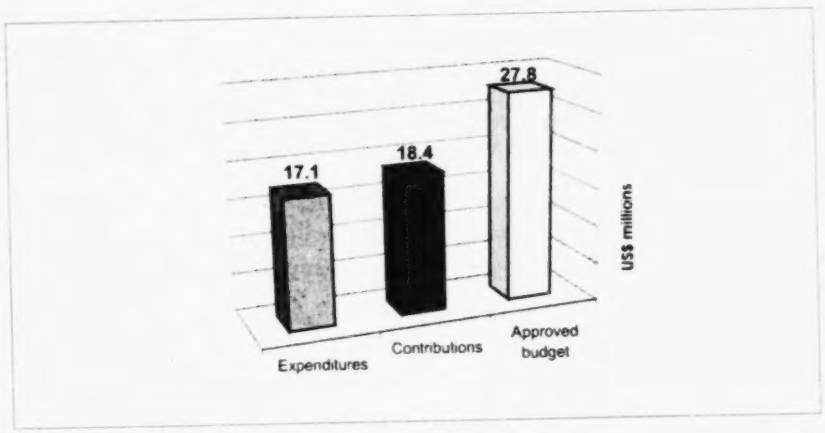
[3] Contributions by the top 10 contributors make up 76 per cent, and those of the top 20 make up 89 per cent of the total indicative contributions.

13. An update on the status of contributions as at 15 October 2001 can be found in document FCCC/SBI/2001/INF.10.

3. Expenditures

14. Expenditures as at 30 June 2001 amounted to US$17 135 109, which represent 62 per cent of the approved budget of US$ 27 756 152[4] or 93 per cent of the contributions received during the biennium (US$ 18 400 129). Chart 2 shows a comparison between the approved budget, the paid contributions and the actual expenditures. Tables 3 (a) and (b) and their corresponding charts show expenditures by programme and by object of expenditure respectively.

Chart 2. Expenditures as at 30 June 2001, in comparison to approved budget and paid contributions (millions of United States dollars)



(a) Expenditures by programme

15. As can be noted from table 3 (a) and the accompanying chart, expenditures have been distributed within the original appropriations for all programmes. Considering that this report covers financial performance for three quarters of the biennium, the ideal expenditure as at 30 June 2001 should be 75 per cent of the approved budget. So far, most of the programmes have spent less than their budgeted resource levels. However, this trend is expected to change as programme expenditures during the second half of 2001 will be proportionally higher.

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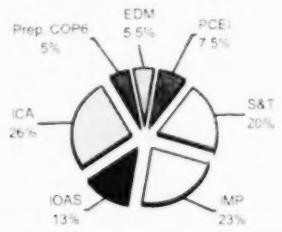
[4] Includes programme support costs, but not working capital reserve.

Table 3 (a). Expenditures by programme, as at 30 June 2001
(United States dollars)

Programme	2000-2001 approved budget**	Expenditures as at 30 June 2001	Percentage of expenditure on budget	Percentage of expenditures by programme
Executive Direction and Management (EDM)	1 523 230	840 261	55	5.5
Planning, Coordination and Emerging Issues (PCEI)	2 447 370	1 138 105	46.5	7.5
Science and Technology (S&T)	4 644 180	3 022 812	65	20
Implementation (IMP)	6 416 380	3 443 217	54	23
Information, Outreach and Administrative Services (IOAS)	3 190 220	1 942 519	61	13
Intergovernmental and Conference Affairs (ICA)	5 456 630	3 979 841	73	26
Preparation for COP 6	884 956	797 058	90	5
Total direct expenditures	**24 562 966**	**15 163 813**	**62**	**100**

** The total amount is different from that shown in table 1 and 2, as this table does not include the working capital reserve.

Chart 3 (a). Expenditures by programme, as at 30 June 2001



(b) Expenditures by object of expenditure

16. Table 3 (b) and chart 3 (b) below indicate expenditures by object of expenditure, grouped into six items. Staff costs include salaries of staff members appointed on approved posts, salaries of short-term staff, temporary assistance and overtime. Other external expertise, from both individuals and institutions, is included under "consultants". Travel of staff on official missions is shown separately from that of experts to workshops and informal consultations. General operating expenses include payments to suppliers of various goods and services, while "grants and contributions" constitute payments to United Nations organizations and governmental institutions that provide logistics and administrative services to the secretariat at

the headquarters in Bonn and during workshops at various locations outside Germany, as well as the annual contribution to the IPCC. Preparation for COP 6 includes all resources needed to convene the related organizing workshops, travel of experts and related logistical expenditures.

17. All expenditures are well below the approved budget and within the ideal maximum expenditure of 75 per cent. As indicated in paragraph 15 above, however, the expenditures for the next six months will be relatively higher although the overall total expenditure will still remain slightly lower than the approved budget.

Table 3 (b). Expenditures by object of expenditure, as at 30 June 2001
(United States dollars)

Object of expenditure	budgeted amount	expenditures	Percentage of expenditures over budget	Percentage of expenditures by object
Staff costs	16 407 500	10 395 383	63	69
Consultants	1 412 000	541 931	38	4
Experts	310 000	396 052	128	3
Travel of staff	1 406 310	803 620	57	5
General operating expenses	2 067 200	1 590 619	77	10
Grants and contributions	2 075 000	1 436 208	69	9
Preparation for COP 6	884 956	[5]	-	
Total direct expenditures	**24 562 966**	**15 163 813**	**62**	**100**

18. As reported at SBI 12 in document FCCC/SBI/2000/8, activities and events funded from the US$ 1 million[6] additional budget for activities leading up to COP 6 are organized as "projects". One of the main projects has been extended with a significant increase in cost to cover rental and fitting out of facilities and other logistical costs for the second part of COP 6 which was held outside the reporting period of this document, in July 2001. Relevant expenditures will be covered from savings realized so far and will be included in the financial statements as at 31 December 2001.

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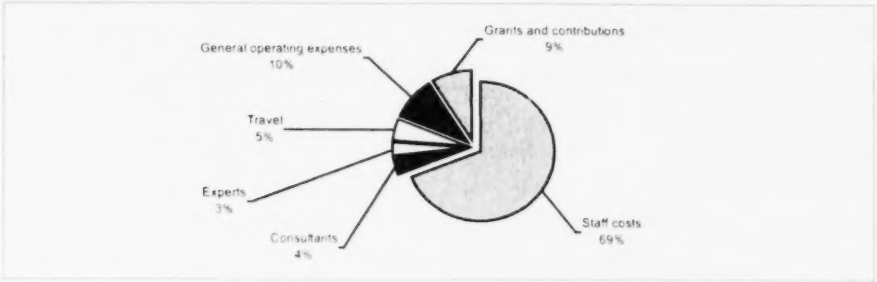
[5] Expenditures on this line are distributed amongst the various objects of expenditures.

[6] The $1million total expenditures include programme support costs.

Chart 3(b). Expenditures by object of expenditure, as at 30 June 2001



4. Programme delivery

19. This section provides brief highlights on the main outputs achieved by each programme during the reporting period.

(a) Executive Direction and Management programme

20. The outputs of the Executive Direction and Management programme (EDM) have been consistent with those described in the programme budget for the biennium 2000-2001 (see FCCC/CP/1999/INF.1). The Executive Secretary has provided ongoing management and coordination of the activities of the secretariat, as well as advice to the Convention bodies and their officers. In his external relations, he has continued to promote coordination with partner organizations, in addition to representing the UNFCCC secretariat in outreach activities.

21. The Executive Secretary has increased delegation to coordinators and is promoting improved accountability at the programme level. He has delegated to the Deputy Executive Secretary responsibility for chairing the Management Committee and to the Coordinator of the Intergovernmental and Conference Affairs Programme the chairmanship of the Intergovernmental Planning Committee. The Management Committee deals with financial overview and budgetary management, review of personnel policy, review of auditors' reports, administrative policy and services, policies and standards for secretariat systems and services, and office space and its allocation. The Intergovernmental Planning Committee deals with the preparation of sessions of Convention bodies, inter-sessional consultations and workshops, and the planning and production of related documentation. Both bodies take decisions or make recommendations for approval by the Executive Secretary. The procedure for the use of supplementary funds continued to be developed, under the responsibility of the Deputy Executive Secretary, through the project funding group. The Executive Secretary has delegated to the Coordinator of the Information, Outreach and Administrative Services Programme a range of responsibilities for personnel decisions.

22. Organizational development activities included a staff retreat, two management retreats and support for the functioning of an internal advisory group (organizational change team). A second group was established to develop a vision statement for the secretariat.

23. With the support of the Information Services subprogramme, EDM launched a database system to record, track and follow up correspondence.

(b) Planning, Coordination and Emerging Issues programme

24. The Planning, Coordination and Emerging Issues programme (PCEI) consists of three subprogrammes: Coordination and Management, Cooperative Mechanism and Emissions Trading. During the reporting period, the programme supported the work of the twelfth and thirteenth sessions of the subsidiary bodies, as well as the sixth session of the COP.

25. The programme supported the design and development of the mechanisms envisaged in Articles 6, 12 and 17 of the Kyoto Protocol, in particular through assisting in the preparation of draft principles, modalities, rules and guidelines, as appropriate, for each mechanism. The documents were complemented by extensive notes, as well as technical and procedural presentations, for the President of the COP and for the chairpersons of the subsidiary bodies and the contact groups, as appropriate. Support was also provided to four informal consultations on this issue and through organizing forums on the mechanisms in conjunction with the sessions.

26. In addition, the programme supported the implementation of activities implemented jointly (AIJ) under the pilot phase through facilitating the exchange of information on projects and the maintenance of the AIJ database, as well as through continuing work on the revision of the uniform reporting format.

27. The programme also made numerous contributions at conferences, seminars and technical workshops organized by public and private institutions, in relation to both the mechanisms and AIJ, and thus helped to strengthen the capacity of governmental and non-governmental actors.

(c) Science and Technology programme

28. The Science and Technology programme (S&T) consists of three subprogrammes: Coordination and Management, Methodology and Science and Technology. The programme supported the work of the twelfth and thirteenth (parts I and II) sessions of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and part I of the sixth session of the Conference of the Parties. During the reporting period, the programme concentrated on the development of modalities, rules and guidelines on land-use, land-use change and forestry, on the development of guidelines for national systems, adjustments, reporting and review, under Articles 5, 7 and 8 of the Kyoto Protocol, on the consultative process, on technology transfer projections of greenhouse gas (GHG) emissions and on the methodological and scientific aspects of the Brazilian proposal.

29. The Programme has assisted in the implementation of decision 6/CP.5 on the technical reviews of GHG inventories from Annex I Parties and in the assessment of the experience with the implementation of decision 3/CP.5 on reporting of these inventories. The programme continued its work on collecting and disseminating information on the methods and tools to assess climate change impacts and adaptation. The programme supported work related to cooperation with relevant international organizations, such as the Global Climate Observing System, the International Panel on Climate Change, the Food and Agricultural Organization, the

World Health Organization, the Convention on Biological Diversity and the United Nations Convention to Combat Desertification. In addition, the programme revised the procedures for nominating experts to the roster of experts and posting information on the nominees on the UNFCCC web site.

30. The programme facilitated the work on the activities mentioned above through the preparation of reports, studies and draft guidelines. It also organized a workshop on national systems and methodological issues relating to adjustments and Articles 7 and 8 of the Kyoto Protocol, two regional workshops and one informal meeting on technology transfer, an expert meeting in cooperation with the IPCC, a workshop on methodologies on climate change impacts and adaptation and an expert meeting on methodological and scientific aspects of the Brazilian Proposal.

(d) Implementation programme

31. The Implementation programme (IMP) consists of four subprogrammes: Coordination and Management, Annex I Implementation, Non-Annex I Implementation, and Compliance. The programme supported the work of the first part of the sixth session of the COP and the twelfth and thirteenth (parts I and II) sessions of the Subsidiary Bodies for Implementation (SBI). Over the reporting period, the programme provided technical support to non-Annex I Parties for the implementation of the Convention, facilitated financial support and capacity-building activities in non-Annex I Parties relating to the preparation of national communications. Assistance was provided to the Consultative Group of Experts (CGE) on national communications from Parties not included in Annex I to the Convention, including coordination and organization of three meetings and four regional workshops. Additional support was provided to non-Annex I Parties in identifying and addressing their technical needs and concerns by compiling and synthesizing technical information contained in their national communications. The programme assisted in the review of the GEF enabling activity projects aimed at the preparation of national communications. It supported the negotiations relating to the additional guidance to the operating entity of the financial mechanism of the UNFCCC.

32. The programme further supported and facilitated negotiations on the implementation of Article 4.8 and 4.9 of the Convention, as well as Article 3.14 of the Kyoto Protocol, including the preparation of relevant official documents and the organization of three workshops and four consultations on these issues. These activities also included matters relating to the establishment of a work programme for the least developed countries.

33. The programme provided support for the preparation of the frameworks for capacity building activities in non-Annex I Parties (developing countries) and in conducting a workshop for Annex I Parties with economies in transition. The programme further provided some support for the development of the Capacity Development Initiative of the Global Environment Facility.

34. A number of in-depth review reports on second national communications from Annex I Parties have been finalized, which resulted in the publication of 14 in-depth review reports. A workshop was organized in early 2001 to facilitate the preparation of the national communications from Annex I Parties due in November 2001. Work was initiated on "best practices" in policies and measures which included preparing several reports and organizing a

workshop in early 2000. The programme further supported and facilitated negotiations on "best practices" in policies and measures in the lead-up to COP 6 in The Hague and COP 6 resumed in Bonn. In collaboration with the Science and Technology programme, technical reviews of the Annex I Party GHG inventories submitted in the common reporting format have been conducted, including the development of a new database on GHG emissions.

35. Under the immediate supervision of the Deputy Executive Secretary, the Compliance subprogramme supported the intergovernmental process on Compliance, and the Multilateral Consultative Committee initiated work on the relationship between environment and trade and until 30 June 2000, supported the process for implementation of Article 4.8 and 4.9. Support has also been provided to informal consultations and workshops on this issue and through organizing forums on Compliance in conjunction with the sessions. In addition, the subprogramme participated in meetings on the relationship between environment and trade.

(e) Information, Outreach and Administration Services programme

36. The Information, Outreach and Administrative Services (IOAS) programme consists of four subprogrammes: Coordination and Management, Information Services, Outreach, and Financial Management and Administration.

37. The Coordination and Management subprogramme, in addition to undertaking the general coordination and management functions necessary for the running of the programme, continued to implement the administrative reform programme initiated last year, by strengthening key administrative functions, and by developing a decentralized way of providing administrative services within the secretariat. Administrative functions have been strengthened by the appointment of, and the initiating of recruitment of new professional staff to head the relevant units. The plan to decentralize some of the administrative activities has been prepared by developing detailed job descriptions and work flow for responsibilities and actions that will be transferred from the central administration to the programme administrative teams (PATs) placed in each programme. This will be implemented at the end of 2001 and early 2002.

38. The Outreach subprogramme continued to liaise with observer organizations to the Convention and to arrange for their attendance at Convention body sessions. The applications for accreditation from intergovernmental organizations (IGOs) and non-governmental organizations (NGOs) were processed by the subprogramme, resulting in six new (IGOs) and 85 new NGOs being accredited at COP 6 in The Hague. A system of contact points in NGOs was put in place to facilitate information flows and promote accountability. The subprogramme coordinated the special events and exhibits by Parties, United Nations bodies and observer organizations during the sessions, arranged for the coverage and dissemination of the reports, and organized the NGO press briefings.

39. The Outreach subprogramme also worked on institutional outreach activities such as preparatory work for the World Summit on Sustainable Development (WSSD) scheduled for September 2002. This entailed the preparation of elements for a draft report of the COP to the WSSD. The subprogramme has been following the regional preparatory processes, including the regional round table discussions as well as sub-regional and regional preparatory committee meetings for the WSSD. The Outreach subprogramme continued to participate in the work of the

Commission on Sustainable Development and the United Nations Environment Programme (UNEP). This activity was transferred to the office of the Deputy Executive Secretary starting from March 2001.

40. The Outreach subprogramme, in cooperation with the Science and Technology and Implementation Programmes, continued to liaise with other conventions such as CBD and the UNCCD. Later in the reporting period, this responsibility was shifted to the Science and Technology Programme. In the context of activities with CBD, the Chairman of the SBSTA and the secretariat coordinator responsible for the SBSTA attended the sixth meeting of the SBSTTA of CBD. Informal discussions were held with the Executive Secretary of CBD and the Chairman of the SBSTTA. An invitation has been sent to UNCCD to participate in the newly created joint liaison group between the secretariats of the UNFCCC and CBD. The first meeting of this group will take place in October 2001. Concerning other activities with UNCCD, both secretariats have participated in meetings of mutual interest, especially on the national level, involving work on draft guidelines for national adaptation programmes of action for the least developed countries.

41. As a result of decisions 10/CP.5 and 11/CP.5, the Outreach subprogramme led the in the work of the secretariat on capacity building. The Capacity-Building Task Team was established in the secretariat to develop and implement the work plan. The subprogramme coordinated the preparations of various documents for the twelfth and thirteenth sessions of the subsidiary bodies and COP 6. The secretariat participated in and contributed to the Global Environmental Policy (GEF) UNEP Capacity Development Initiative (CDI) meetings and consultations.

42. With its focus on information technology, knowledge management and communications, the Information Services subprogramme undertook a range of services to the participants at meetings and to the secretariat. Computer networks were designed and implemented in collaboration with the host countries for the thirteenth sessions of the subsidiary bodies in Lyon, France and for COP 6 in The Hague. Computer services were extended to the secretariat's additional office location in Bonn. Official document production was made easier at COP 6 by the introduction of an automated computer programme for formatting and layout. The UNFCCC library implemented new document and library management software. Support was provided to the development of the GHG inventory database and work was completed on data management for registration. The web site (www.unfccc.int) grew in scope and size and special web sites were developed for the thirteenth sessions of the subsidiary bodies and COP 6 attracting a total of around 7,000,000 hits in November 2000. The secretariat adopted the United Nations standard Lotus Notes as its e-mail system.

43. The Financial Management and Administration subprogramme provided the secretariat with general administrative services, management of financial resources, personnel services, procurement services and liaison with the United Nations and Host Government on administrative matters. The work of this subprogramme is funded entirely by the 13 per cent of programme support costs charged on expenditures.

44. During the reporting period, the Financial Management and Administration subprogramme provided administrative and financial support in organizing and servicing 32 workshops, informal consultations and high-level consultations. Travel arrangements and

DSA payments were made to over 650 participants attending these events. This was in addition to three major meetings held in Bonn (the twelfth sessions of the subsidiary bodies), Lyon (the thirteenth sessions of the subsidiary bodies) and The Hague (COP 6), which were attended by almost 500 funded participants. In the field of human resources, responsibility was transferred from the United Nations Office at Geneva (UNOG) back to the secretariat for all personnel issues – classification, recruitment and staff administration. This was officially implemented on 1 January 2001. To accommodate the growth of the secretariat, its premises have been extended to a second location – the Otto Benecke Stiftung, which is located approximately 1 km from Haus Carstanjen. Phase 2 of the move of secretariat staff to the new location has just been completed while Phase 3 is expected to take place in January 2002. Regular meetings held with representatives of the Host Government ensured that staff members' rights and privileges in accordance with the Headquarters Agreement were implemented fully and at the same time served as a forum to discuss any problem areas which arose in the course of the year.

(f) Intergovernmental and Conference Affairs programme

45. The Intergovernmental and Conference Affairs (ICA) programme consists of three subprogrammes: Coordination and Management, Intergovernmental and Legal Affairs and Conference Affairs. The services provided by this programme include those relating to organizing sessions of the Convention bodies, external relations, management of participation in the sessions, processing and editing of documents, legal services to the Convention including host country agreements with hosts of sessional meetings and workshops. ICA also made arrangements for and coordinated internal planning to facilitate integrated inputs of all programmes to all meetings in 2000 and 2001. This work is accomplished mainly through the Intergovernmental Planning Committee, which was established under the chairmanship of the ICA coordinator.

46. The ICA programme successfully organized and serviced the sixth Conference of the Parties and preceding informal group meetings in The Hague, involving 7,000 participants. Services included support to the President, liaison with delegations, provision of conference services, processing and editing of documents, and managing the accreditation and participants funding processes.

47. During the reporting period, the programme also organized and serviced the twelfth and thirteenth sessions of the subsidiary bodies and the preceding week of informal meetings, including workshops, involving 1,700 and 2,000 participants respectively. They were held in Bonn, Germany and Lyon, France respectively.

48. The programme has provided ongoing support to the President, including coordinating secretariat support for his Consolidated Negotiating Text. It organized and supported three Bureau meetings and four high-level consultations by the President to advance preparations for COP 6, part I and COP 6, part II. It also assisted in the servicing of 16 workshops and consultations in the reporting period.

B. Trust Fund for Participation in the UNFCCC Process

49. Table 4 provides detailed information on income and expenditures under the Trust Fund for Participation in the UNFCCC Process.

50. As at 30 June 2001, contributions received for this biennium amounted to US$ 2 901 517. At least one delegate from each eligible Party was offered financial support to attend the official sessions. During this biennium 92 participants were provided with financial assistance to attend the twelfth sessions of the subsidiary bodies, 141 to the thirteenth sessions and 213 to the fourteenth sessions (which was included in part I of the sixth session of the Conference of the Parties) at a total cost of US$ 2 287 380.

51. The excess of income over expenditures, including carry-over balance from the previous financial periods, and accrued interest amounted to US$ 1 220 342. After blocking the required amount (10% of actual expenditures in 2000) for working capital reserve, the remaining amount, together with any new contributions, will be used to cover participation of eligible Parties in the resumed session of COP 6 in Bonn and in COP 7 in Marrakesh.

52. The secretariat continues to apply its current policy in providing financial support to eligible Parties. Parties are eligible for funding if their per capita gross product (GDP) ceiling did not exceed US$ 6,500 in 1998 according to the Data Management Service of the United Nations Conference on Trade and Development (UNCTAD). This ceiling is raised to $10,000 in the case of Small Island Developing States (SIDS) or if the Party provides an officer to serve as a member of the Bureau. Parties which are not least developed countries or small island developing States and which would normally be eligible for financial support to participate in the meetings of the Conference of the Parties and its subsidiary bodies, but which have not paid their contributions for the current year and the preceding year, will not be considered for funding from the Trust Fund for Participation to participate in the fifteenth sessions of the subsidiary bodies and the seventh session of the COP.

Table 4. Status of the Trust Fund for Participation in the UNFCCC Process as at 30 June 2001

(United States dollars)

Income	
Brought forward from 1998-1999	477 481
Contributions received in 2000	1 874 798
Contributions received in 2001	1 026 719
Interest and miscellaneous income	128 724
Total income (as at 30 June 2000)	**3 507 722**

Table 4 *(continued)*

Expenditures (as at 30 June 2001)	
Travel of Bureau members	25 553
Travel of 92 participants to SBSTA 12 and SBI 12, Bonn, June 2000	425 758
Travel of 141 participants to SBSTA 13 and SBI 13, Lyon, September 2000	655 080
Travel of 213 participants to COP 6 (Part I), The Hague, November 2000	915 849
Bank charges	1 990
Total direct expenditures	**2 024 230**
Programme support costs	263 150
Total expenditures (as at 30 June 2001)	**2 287 380**
Excess income over expenditures	**1 220 342**

C. Trust Fund for Supplementary Activities

53. Table 5 (a) provides information on income and estimated expenditures under the Trust Fund for Supplementary Activities. The substantial carry-over balance is the result of three main factors: (a) the difference between committed funds for the approved project and the actual expenditures recorded at the end of the financial period, (b) funds that have been received, but are awaiting instructions from the contributor to identify the activity for which they should be used, and (c) a working capital reserve of 15 per cent.

54. The secretariat continues to undertake additional fund-raising activities for supplementary activities, especially for workshops and events based on approved projects. Receipts amounted to US$ 4 653 514 by 30 June 2001, bringing the total amount available under this trust fund to US $7 209 170. (See table 11 (a) below.)

Table 5 (a). Status of the Trust Fund for Supplementary Activities as at 30 June 2001
(United States dollars)

Income	
Brought-forward from 1998-1999	2 245 666
Contributions received in 2000-2001	4 653 514
Interest and miscellaneous income	309 990
Total income (as at 30 June 2000)	**7 209 170**
Approved projects	**3 749 590**
Programme support costs	487 446
Total commitments	**4 237 036**
Balance	**2 972 134**

55. During the reporting period, eighteen projects were approved at a total cost of US$ 4 237 36. It should, however, be noted that while this amount indicates the total approved commitment, expenditures incurred as at 30 June 2001 amount to US$ 2 675 373. Table 5 (b) provides a list of the projects and events funded from the Trust Fund for Supplementary Activities in the biennium 2000-2001. Most of the projects are related to those activities leading to COP 6 as decided by the COP at its fifth session (decision 20/CP.5).

Table 5 (b). Projects and events funded from the Trust Fund for Supplementary Activities in the biennium 2000-2001
(United States dollars)

Project	2000-2001 commitments
Improving management of supplementary funds. The objective of this project was to provide the Executive Secretary with professional support in fund management and external relations. A P-2 programme support officer was funded under this project from January to March 2000. The project has been completed.	17 813
Activities of the non-Annex I subprogramme. One secretarial post is funded under this project to ensure the efficient and effective execution and operation of the non-Annex I subprogramme in order to address the needs of the non-Annex I Parties in a timely manner. This project started in 1998 and will end on 31 December 2001.	76 808
Assistance to the consultative process relating to transfer of technology. In 2000 three regional workshops (Cebu, Philippines, 17-19 January 2000, San Salvador, El Salvador, 29-31 March and Colorado, USA, 2-4 August 2000) and one informal meeting (Bonn, 7-8 June 2000) were financed under this project.	281 045
Secretariat support to Parties for the design, development and operation of the mechanisms referred to in Articles 6, 12 and 17 of the Kyoto Protocol. Technical preparation of intergovernmental meetings and informal consultations among representatives of Parties (Bonn, 21-22 August 2000 and New Delhi, 14-18 October 2000).	359 046
Maintenance and development of information capacity in the Climate Change secretariat. Under this project two posts are established to manage activities relating to media relations, gradually taking over from the United Nations Information Centre and the United Nations Environmental Programme Information Unit for Conventions, which are no longer able to provide the same level of support as in the past.	173 900
Initial implementation and strengthening of the Outreach subprogramme. The project provides funds for a P-2 NGO liaison officer to undertake a number of liaison, planning and coordination tasks relating to participation of non-governmental organizations in the UNFCCC process.	77 800

Table 5 (b). *(continued)*

Project	2000-2001 commitments
Knowledge networking: building an integrated database for information exchange: Under this project the secretariat has integrated resources across programmes to improve the contacts and registration databases, implement the roster of experts over the web, develop the prototype for the GHG inventory software and revise the web-accessible survey of non-Annex I Party national communications.	276 859
Funding for informal high-level consultations in preparation for COP 5, COP 6 and COP 6.5: Funds have been provided for travel and DSA of participants from eligible Parties, Bureau members, and a limited number of secretariat staff as well as for meeting services requirements, for three consultations: (New York, April 2000; Warsaw, June 2000; Muiden, October 2000; New York, April 2001 and The Hague, June 2001).	853 383
Consultative Group of Experts (CGE): The aim of this project is to facilitate the organization of regional workshops in Africa, Asia and the Pacific and Latin America and the Caribbean (Mexico City, 8-12 May 2000; Nairobi, 15-18 August 2000; Bangkok, 16-20 October 2000; The Hague, 9-10 November 2000 and Panama, 19-24 March 2001).	363 061
Support for the organization of inter-sessional consultations on land-use, land-use change and forestry (LULUCF): Funds were provided for the participation of representatives of non-Annex I Parties and experts, as well as for coverage of the meetings by the Earth Negotiations Bulletin (Poznan, 10-15 July 2000; Viterbo, 9-11 October 2000).	187 755
Informal consultations relating to development of a compliance system under the Kyoto Protocol: The main objective of this project is to facilitate negotiations on the development of a comprehensive compliance system by providing opportunities to exchange views and to facilitate the work of the co-chairperson of the joint working group in developing texts as a basis for negotiations (Iceland, 18-20 July 2000; New Delhi, 16-18 October 2000).	159 293
Implementation of decisions 10/CP.5 and 11/CP.5 on capacity-building: Coordination of the secretariat's activities on capacity-building through the capacity-building team.	228 563
Implementation of Article 4.8 and 4.9 of the Convention and 3.14 of the Kyoto Protocol and activities relating to least developed countries: Under this project workshops were organized in Geneva, October 2000; Bonn, August 2000; Geneva, March 2001; Kampala, April 2001. These workshops provided opportunities to Parties to exchange views and experiences on proposed measures relating to the above-mentioned articles.	246 820

Table 5 (b). *(continued)*

Project	2000-2001 commitments
Preparation of national communications from annex I Parties: Bonn, 28 February to 2 March 2001. In addition to undertaking substantive, logistical and administrative preparation, the objective of this project is to assist experts from Annex I Parties with economies in transition and invited non-Annex I Parties to attend the workshop.	133 200
Development of a greenhouse gas emissions database: Under this project, further development and enhancement of the Greenhouse Gas Emission database was carried out in order to enable the secretariat to access and process information on reported levels of greenhouse gas emissions in an improved, more expeditious and precise manner.	70 796
Communicating the climate change process: a UNFCCC Communications and Media Project. The main objective of this project is to disseminate official data, documents and information, to act as a catalyst to increase awareness of the climate change process, and to design, implement and maintain a new structure and 'look' for the UNFCCC website: www.unfccc.int	199 200
Responding to the decision to intensify the process leading up to COP 6: Through this project, the capacity of the Conference Support and Administrative Services of the secretariat were strengthened to ensure the logistical arrangements and the preparatory process of the COP 6. Most of the expenditures relating to this project are covered from the core budget.	44 248
Total direct costs	3 749 590
Programme support costs	487 446
Grand total	**4 237 036**

D. Trust Fund for the Special Annual Contribution from the Government of Germany (Bonn Fund)

56. As part of its offer to host the secretariat in Bonn, the Government of Germany pledged a special annual contribution of DM 3.5 million to the UNFCCC to cover expenditures based on the bilateral arrangements between the Government of Germany and the Convention secretariat.

57. During the biennium, almost the entire contribution of DM 7 million paid by the Host Government has been committed to cover the cost of facilities and staff for servicing the twelfth sessions of the subsidiary bodies and part II of the sixth session of the Conference of the Parties, which also included the fifteenth sessions of the SBSTA and SBI. Table 6 provides detailed information on income and expenditures under the Bonn Fund as at 30 June 2001. The substantial carry-over balance includes (a) the unspent balance of funds from prior years refundable to the Host Government; (b) a working capital reserve of 15 per cent.

Table 6. Status of the Bonn Fund as at 30 June 2001
(United States dollars)

Item		Amount
Income		
	Brought forward from 1998-1999	638 590
	Contributions*	3 174 840
	Interest and miscellaneous income	77 877
Total income		**3 891 307**
Expenditures		
I.	**Conference support**	
	Conference facilities	777 949
	Staff	493 160
Subtotal I: Conference support		**1 271 109**
II.	**Information support**	
	Staff	294 047
	Publications and library material	196 389
Subtotal II: Information support		**490 436**
III.	**Participation at workshop**	
	Travel of participants to the CGE of NA I, Bonn, June 2000	**20 643**
	Programme support costs	227 334
Total expenditures		**2 009 522**
Balance**		**1 881 785**

* Equivalent to DM 7 million.
** The balance is made up of three components: (a) 15% working capital reserve, (b) unspent balance refundable to the Government, and (c) commitments to cover expenditures until the end of 2001.

III. PERSONNEL

A. Staff

58. This section contains reports on developments in classifying, advertising and filling the approved posts under all sources of funding. The COP at its fifth session approved the establishment of 15 Professional (P) and 7 General Service (GS) posts, bringing the total number of approved posts to 56 P and 29 GS in 2001. A comparison of the number of approved posts with the number filled by 30 June 2001 is given in table 7 below.

59. "Filled" posts in the table refer to posts occupied by staff who have been awarded a fixed-term contract of one year or more, and are appointed against established posts after going through the complete recruitment process including review by the UNFCCC Appointment and Promotion

Board. In addition to these, 12 Professionals and 28 persons in the General Service category have been hired under temporary assistance contracts as at 30 June.

60. Some of the funds available for current vacant posts are being used to finance the hiring of consultants or staff under "general temporary assistance", who are being recruited due to the specialized functions required for a short period or to the urgency of services required.

Table 7. Comparison of established posts and occupied posts by source of funding as at 30 June 2001

Level	Core		Supplementary		Bonn Fund		Overhead		Total	
	Approved	Filled	Approved	Filled	Approved	Filled	Approved	Filled	Approved	Filled
ASG	1	1							1	1
D-2	3	3							3	3
D-1	4	4							4	4
P-5	10	6					2	1	12	7
P-4	11	8	1	0			3	2	15	10
P-3	18	16	0	0	2	1	4	1	24	18
P-2	9	9	5	4	2	1	4	1	20	15
Subtotal	56	47	6	4	4	2	13	5	79	58
GS	29	26	2	2	6	3	28	17	65	48
TOTAL	**85**	**73**	**8**	**6**	**10**	**5**	**41**	**22**	**144**	**106**

61. Information on the geographical distribution of the appointed staff at the professional level and above is provided in table 8 (a) and (b). Efforts are made to ensure the highest standards of efficiency, competence and integrity in the staffing of the secretariat, while paying due regard to the importance of recruiting staff on as wide a geographical basis as possible, in accordance with Article 101.3 of the United Nations Charter, as well as promoting gender balance.

62. The gender distribution among professional staff is provided in table 8 (c) below. Of 58 staff, 34 are men and 24 are women. Among general service staff, the representation of female staff is prevalent: 36 out of 48 GS staff are women.

Table 8 (a). Geographical distribution of appointed staff members at the Professional level and above, as at 30 June 2001

Grade	Africa	Asia and the Pacific	Latin America and the Caribbean	Eastern Europe	Western Europe and others	Total
ASG					1	1
D-2	1				2	3
D-1		1		1	2	4
P-5	2	1	1	1	2	7
P-4	2	1	2	2	3	10
P-3	2	5	3		7	17
P-2		4	2		10	16
Total	**7**	**12**	**8**	**4**	**27**	**58**
Percentage of total	**12**	**21**	**13**	**7**	**47**	**100**

Table 8 (b). Geographical distribution of appointed staff members at the Professional level and above, as at 30 June 2001: Annex I and non-Annex I Parties distribution

Grade	Annex I	Non-Annex I
ASG		1
D-2	2	1
D-1	3	1
P-5	3	4
P-4	5	5
P-3	8	9
P-2	8	8
Total	**29**	**29**
Percentage of total	**50**	**50**

Table 8 (c). Gender distribution by grade of appointed staff members at the Professional level and above, as at 30 June 2001

Grade	Male	Female
ASG	1	
D-2	2	1
D-1	3	1
P-5	4	3
P-4	6	4
P-3	9	8
P-2	9	7
Total	**34**	**24**
Percentage of total	**59**	**41**

B. Consultants and individual contractors

63. Between 1 January 2000 and 30 June 2001, 79 individual consultants were hired, and provided a combined total of 175 months of work at a total cost of US$ 973 797 under all sources of funding. Seventy-one per cent of the consultants and individual contractors were nationals of Annex 1 countries. As indicated in the earlier report on the subject, as at 30 June 2000 (document FCCC/SBI/2000/8 paragraph 50), the nature of these tasks and, in some cases, the linguistic requirements, direct the search for such services to the region in which the secretariat is located, thus skewing the geographical distribution of consultants towards those resident in Annex I Parties.

64. Other consultancies represented the provision of other types of expertise not available within the secretariat. While such expertise is more easily found in Annex I Parties, an effort continues to diversify sources so as to increase the input of experts from developing countries.

65. Table 9 provides information on how such services were distributed among the various programmes.

Table 9. Consultants and individual contractors, by programme
1 January 2000 – 30 June 2001
(United States dollars)

Programme	Person-months	Cost
Executive Direction and Management	4.50	24 000
Planning, Coordination and Emerging Issues	2.50	35 000
Science and Technology	15.25	102 028
Implementation	45.00	219 937
Information, Outreach and Administrative Services	73.50	356 891
Intergovernmental and Conference Affairs	34.00	235 941
Total	**174.75**	**973 797**

C. Staff development activities

66. With a demanding and rapidly evolving set of international mandates, it is essential for the secretariat to invest in its staff members' capacity to provide prompt delivery of high-quality products and services for the Parties. This means continually strengthening staff competencies and developing new skills as the scope and depth of tasks evolve.

67. The UNFCCC first allocated a small budget for staff development activities in the latter half of 1999, and assigned the services of a part-time staff member to develop and coordinate a programme. The subsequent biennium period (2000 and 2001) has seen a progressive development in the breadth and focus of development opportunities offered to staff within the secretariat. The programme has focused on presenting generic United Nations training programmes aimed at developing the basic skills defined by the United Nations Headquarters in New York. Accredited trainers presenting these programmes at the United Nations office at Geneva were engaged to deliver the training in Bonn. The programmes offered included: General Services Development – Parts 1 & 2, Supervisory Skills Training – including a short follow-up programme, Personnel Appraisal System Preparation and Management, Coaching for Improved Performance, and the People Management Training programme. This last programme was offered by the United Nations office at Geneva as a residential programme outside Geneva where senior Programme Officers and managers joined a wider group of colleagues from other European-based United Nations agencies.

68. A limited number of additional programmes were developed by the Staff Development Officer in response to learning needs identified by senior managers. These included: Written Communication, where a seminar and coaching programme was offered to non-English mother tongue Professional staff, Presentation Skills workshops for Professional staff leading regional workshops and making presentations at international meetings, Interviewing Skills workshops for unit teams managing recruitment activities, and Stress Management workshops open to all staff with particular reference to working effectively during demanding COP meetings.

IV. ADMINISTRATIVE ARRANGEMENTS

69. The progress made in implementing the transfer of the administrative responsibilities from UNOG to UNFCCC Bonn was reported to the SBI at its tenth and eleventh sessions (FCCC/SBI/1999/3, paras. 46-50 and FCCC/SBI/1999/10, paras. 42-44) as well as at the twelfth session (FCCC/SBI/2000/8 paras. 52-57).

70. As indicated in the previous report, negotiations also continue with United Nations Headquarters on the receipt, management and allotment of overhead funds, which provide the financial resources for all secretariat administrative support services. Significant progress has recently been made in this regard and the required funding for 2001 has been secured.

71. During late 2000 and early 2001, the secretariat took over from UNOG most responsibilities in this area from UNOG, leaving a few activities such as classification of posts, issuing laissez passer and matters relating to insurance coverage and the appeals board.

72. Similar advances have been made in the area of financial management. All the responsibilities for deciding the uses to which the Convention's funds should be put have been taken over entirely by the secretariat. UNOG still continues to maintain the accounts in its database, to receive and invest contributions and to process a limited number of financial transactions on behalf of the UNFCCC at the secretariat's instructions. Preparations are under way to establish a financial processing and information system which should significantly reduce the secretariat's reliance on UNOG.

73. Significant progress has also been made in managing travel, by strengthening the travel unit and by purchasing a system which enables the secretariat to make direct bookings and check fares. This development has increased efficiency in the use of resources and has resulted in an improved and faster travel service for staff and participants.

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